

CHAPTER 190

BANKS AND BANKING

S. F. 758

AN ACT to so amend senate file number five hundred sixty-three (563), approved by the governor March 20, 1923, that said act will take effect on publication.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Amendment as to publication. That senate file number
2 five hundred sixty-three (563), approved by the governor March 20,
3 1923, is hereby amended by adding thereto the following, to-wit:

4 "Sec. 2. This act being deemed of immediate importance shall take
5 effect on and after its passage and publication in the Des Moines Capital,
6 and Des Moines Register, newspapers published at Des Moines,
7 Iowa."

1 SEC. 2. Duty of secretary of state. The secretary of state is hereby
2 directed to add the foregoing amendment to the said act, and to pub-
3 lish the same.

1 SEC. 3. Publication clause. This act being deemed of immediate
2 importance shall take effect on and after its passage and publication
3 in the Des Moines Capital, and Des Moines Register, newspapers pub-
4 lished at Des Moines, Iowa.

Approved April 19, A. D. 1923.

I hereby certify that the foregoing act was published in the Des Moines Capital April 24, 1923, and in the Des Moines Register April 24, 1923.

W. C. RAMSAY, *Secretary of State.*

See chapter 189.

CHAPTER 191

AGRICULTURAL WAREHOUSE ACT

H. F. 668

AN ACT to provide for storage of grain in state-licensed warehouses and under state supervision, and the issuance of storage certificates therefor, and providing penalties for offenses thereunder.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Definitions. That wherever the words "secretary of
2 agriculture" shall appear in this act it shall refer to the secretary of
3 agriculture of the state of Iowa in charge of that department.

4 The word "board" shall refer to any local supervisory board of
5 individual producers appointed by the secretary of agriculture under
6 the provisions of this act.

7 The word "sealer" shall refer to any person whose duty it shall be

8 under the provisions of this act to seal any granary, crib, bin, or
9 other receptacle for grain.

10 The word "certificate" shall refer to any certificate or receipt evi-
11 dencing the storage of grain under the provisions of this act and any
12 rules or regulations promulgated thereunder.

13 The word "owner" shall refer to and include any person or persons,
14 (whether individuals, copartnerships or corporations) who shall either
15 personally or as trustee have title to or the right of possession of any
16 grain stored under the provisions of this act.

17 The words "grain in storage" shall refer to any grain stored under
18 the provisions of this act.

1 **SEC. 2. Local supervisory board.** Local supervisory boards con-
2 sisting of not less than three (3) nor more than seven (7) members
3 shall be appointed by the secretary of agriculture in any community
4 upon the application of one or more citizens as hereinafter provided
5 for the purpose of supervising grain in storage and the issuing of
6 certificates against such grain, and generally and under the direction
7 of the secretary of agriculture for carrying out the purposes and
8 enforcing the provisions of this act. A suitable name and a number
9 shall be given to such board by the secretary of agriculture. The
10 members of such boards shall at the time of their appointment be
11 producers of grain in the state and residents thereof. They shall
12 continue in office until their successors are appointed by the secretary
13 of agriculture. In the event of vacancies arising by reason of the
14 resignation or upon removal from the district or death of any member
15 or members such vacancies shall be filled in manner and form as in
16 the case of original appointments. Each board shall appoint one of
17 its own members as its secretary. The secretary may also be the
18 treasurer and each board shall also appoint a president and vice
19 president from its own membership, and their duties shall be those
20 of similar officers in their organization.

1 **SEC. 3. Qualification.** Members of such boards shall qualify by
2 taking oath similar to that required of public officials.

1 **SEC. 4. License to local board.** Upon the appointment and qualifi-
2 cation of the members of such board the secretary of agriculture shall
3 immediately issue a license to it, and prescribe the duties of its officers
4 and the records they shall keep. Each license shall be numbered, and
5 specify the territory which shall be under the jurisdiction of the
6 board and within which certificates may be issued, such certificates
7 shall bear the names and the license number of the board. It shall
8 also have printed thereon such other directions, rules and regulations
9 as the secretary of agriculture shall make or promulgate and deem
10 necessary to set forth upon such license.

1 **SEC. 5. Application.** Any person may make application to the sec-
2 retary of agriculture for the appointment of a board in and for the
3 community in which he resides, or the secretary of agriculture may
4 make such appointments upon his own initiative. When any such
5 application is made the secretary of agriculture shall as soon as prac-
6 ticable investigate the situation and determine upon the advisability
7 or otherwise of making the appointments requested.

1 **SEC. 6. Local sealers.** The board shall submit to the secretary of
2 agriculture the name of some person or persons who shall, subject

3 to the approval of the secretary of agriculture, act as the local sealer
4 or sealers, and every such sealer shall have the same authority with
5 respect to the provisions of this act and the rules and regulations
6 promulgated thereunder, and the enforcement thereof, as any officer
7 of the peace.

1 **SEC. 7. Applicability of law—appeal.** The privileges of this act
2 shall be open to all owners upon the same conditions. Any owner
3 desiring to place his grain in storage and have a certificate or cer-
4 tificates issued against it shall make application therefor to the board.

5 Any owner aggrieved by any ruling or decision of the board may
6 appeal to the secretary of agriculture whose decision shall be final.

1 **SEC. 8. Duty of sealers.** It shall be the duty of the sealer under
2 the direction of the secretary of agriculture to supervise the storage
3 of grain, to ascertain the amount stored by each owner who shall
4 desire to avail himself of the provisions of this act, and, to determine
5 so far as possible, the grade and quality thereof; and he shall, before
6 delivering a certificate to the owner, securely seal the granary, crib,
7 bin or other receptacle in which the grain so certified shall have
8 been stored. He shall have authority at all times to enter upon any
9 premises for the purpose of inspecting grain in storage or the granary,
10 crib, bin, or other receptacle in which it shall have been stored, and
11 the acceptance of a certificate by the owner shall be deemed consent
12 to entry and inspection by the sealer or any person duly authorized
13 thereunto by the secretary of agriculture.

14 Seals or locks, or other fastenings employed shall be in accordance
15 with specifications furnished by the secretary of agriculture.

1 **SEC. 9. Bond of sealer—qualification.** The sealer shall furnish
2 bond for the faithful performance of his duties in such an amount as
3 shall be determined by the secretary of agriculture. Such bonds,
4 and the sureties thereon, shall in every case be subject to the secre-
5 tary's approval and be deposited with him, and in case it is not a
6 personal bond the premium thereon shall be payable out of any funds
7 in the hands of the board.

8 He shall also qualify by taking an oath similar to that required of
9 public officials.

1 **SEC. 10. Certificates—requirements.** Certificates shall be upon
2 forms to be prepared by the secretary of agriculture, and every such
3 certificate must embody within its written or printed terms:

4 (a) The name and license number of the board under which such
5 certificate is issued.

6 (b) The consecutive number of the certificate.

7 (c) The date of issue of the certificate.

8 (d) A particular description of the granary, bin, crib, or other
9 receptacle in which the grain is stored, and of the premises upon
10 which it is located.

11 (e) A description of the grain.

12 (f) The name of the owner or owners, whether ownership is sole,
13 joint, or in trust, and the conditions of such ownership, and (in the
14 case of tenants) the date of termination of the lease.

15 (g) A statement of any loans or other indebtedness made to or
16 owing by the owner which in any manner constitutes a lien, whether
17 statutory or contractual, including both mortgage and landlord's liens,

18 upon the grain, which statement shall be signed by the owner or his
19 agent.

20 (h) A form of waiver of liens which may be signed by the lien-
21 holder.

22 (i) A statement whether the goods received will be delivered to
23 the bearer, to a specified person, or to a specified person or his order,
24 and at what place it will be delivered.

25 (j) A facsimile signature of the secretary of agriculture, and the
26 counter-signature of the sealer.

27 (k) If the owner is married, a waiver by the spouse of any claim
28 of exemption and a consent to the instrument.

29 (l) A statement as to whether any other certificate has been
30 issued covering any grain in the same crib, granary, bin, or other
31 receptacle; and the amount of such other certificate.

1 SEC. 11. **Prohibited terms.** No term or condition shall be inserted
2 in any certificate, whether negotiable or otherwise which shall in
3 any manner purport to relieve the owner from exercising that degree
4 of care in the safe keeping of the grain in storage which a reasonably
5 prudent man would exercise with regard to similar property of his
6 own.

1 SEC. 12. **Non-negotiable certificates.** A certificate in which it is
2 stated that the grain stored shall be released or delivered to the
3 owner, or to any other specified person, is a non-negotiable certificate.

1 SEC. 13. **Negotiable certificates—termination of negotiability.** A
2 certificate in which it is stated that the grain stored will be delivered
3 to the bearer, or to the order of any person named in such certificate,
4 is a negotiable certificate.

5 No provision shall be inserted in a negotiable certificate that it is
6 non-negotiable. Such provisions, if inserted, shall be void. Provided
7 however, that in case the owner is a tenant, the certificate shall cease
8 to be negotiable from and after the date of the termination of the
9 lease as it appears thereon.

1 SEC. 14. **Certificates—limitation—suitability of receptacle.** The
2 sealer shall issue to the owner one or more certificates as herein pro-
3 vided, but the aggregate amount of the grain represented by such
4 certificate or certificates shall in no event exceed the amount of grain
5 stored and sealed by the sealer.

6 Before issuing any certificate he shall satisfy himself as to the
7 suitability of the bin, crib, granary, or other receptacle in which the
8 grain is stored and that such receptacle conforms with the regula-
9 tions applicable thereto promulgated by the secretary of agriculture.

1 SEC. 15. **Duplicate certificates.** The sealer shall file with the secre-
2 tary of the board a duplicate of all certificates delivered by him, and
3 the secretary shall keep an accurate record thereof in a book pro-
4 vided by the secretary of agriculture for the purpose. Such dupli-
5 cates shall have plainly printed upon the face thereof, "Board Dupli-
6 cate, No Value."

1 SEC. 16. **Insurance.** All grain stored and sealed under the provi-
2 sions of this act shall be insured against fire and windstorm in some
3 insurance association or company authorized to do business in this

4 state and approved by the secretary of agriculture. Such policies of
5 insurance as are issued shall be deposited with the secretary of agri-
6 culture and shall inure to the benefit of the holder or holders of the
7 certificate or certificates issued against the said stored grain and of
8 the owner, and any incumbrancers or lienholders thereof and thereon
9 as their interests shall appear.

1 **SEC. 17. Local board as trustee.** Whenever it shall appear that the
2 interests of holders of certificates and other parties interested may be
3 further conserved thereby the secretary of agriculture may authorize
4 the board to act as trustee for such certificates as may be assigned
5 to it in that capacity and the board may then exercise all the rights
6 of an owner, subject to the duties and responsibilities imposed and
7 devolving upon trustees under similar conditions. All certificates is-
8 sued by the board as trustee shall have that fact plainly set forth
9 thereon, any other provision of this act to the contrary notwithstanding,
10 but such statement shall in no manner affect the negotiability or
11 non-negotiability of such certificate.

1 **SEC. 18. Non-negotiable certificate to be marked.** A non-negotiable
2 certificate shall have plainly printed or written upon its face, "Non-
3 negotiable" or "Not Negotiable".

1 **SEC. 19. Delivery of grain—burden of proof.** The owner shall, in
2 the absence of some lawful excuse provided by this act, deliver the
3 grain stored upon demand made by the holder of a certificate for the
4 grain, or for such part thereof as is represented by the certificate if
5 such demand is accompanied by:

6 (a) A showing that all such liens as may appear upon the cer-
7 tificate and which shall subsist upon the date of the demand have
8 been satisfied.

9 (b) An offer to surrender the certificate if negotiable, with such
10 endorsements as would be necessary for the negotiation of certificate,
11 and,

12 (c) A readiness and willingness to sign, when the goods are de-
13 livered, an acknowledgment that they have been delivered, if such
14 signature is requested by the owner.

15 In case the owner refuses or fails to deliver the goods in compliance
16 with a demand by the holder of a certificate so accompanied, the
17 burden shall be upon the owner to establish the existence of a lawful
18 excuse for such refusal.

1 **SEC. 20. Pooling of grain.** Owners may, for the purpose of pooling
2 their grain and affording a higher degree of security, organize them-
3 selves into groups of two or more owners of grain in storage, all of
4 whom shall be jointly and severally liable to holders of certificates
5 in due course to the extent of seventy-five per cent. of the market
6 price of the grain represented by certificates issued against it, and
7 at the time of their sale, pledge, assignment or other lawful dispo-
8 sition, and all the grain in storage and belonging to said pool shall be
9 liable for the payment of moneys advanced against, or paid for such
10 certificates.

1 **SEC. 21. "Group certificates."** Certificates issued by or on behalf
2 of the members of such groups shall have printed thereon the words
3 "Group Certificates". They shall embody the same terms as are re-

4 quired in the case of other certificates issued under the provisions of
5 this act in so far as they are applicable, and in addition thereto shall
6 have stated thereon the total amount of grain belonging to the pool
7 and the names of the members constituting the group.

8 All group certificates shall be negotiable, and any provision thereon
9 contrary thereto or inconsistent therewith or in any manner pur-
10 porting to relieve the members of the group of their liability or any
11 part thereof, as provided in the immediately preceding section, shall
12 be void.

1 SEC. 22. **Application for pool.** When any owners desire to organize
2 themselves into a group for the purposes described in the two imme-
3 diately preceding sections, they shall notify the secretary of the
4 board upon forms provided for that purpose. The secretary shall
5 transmit a duplicate of such application to the secretary of agricul-
6 ture. Unless, for good cause shown, the secretary of agriculture shall
7 expressly disapprove of the organization of such group or groups and
8 the functioning thereof, the said group or groups shall be permitted
9 to issue group certificates as provided herein.

1 SEC. 23. **Sealing and supervision.** All provisions of this act with
2 respect to sealing and supervision of grain in storage shall apply to
3 the members of groups and the certificates issued by them.

1 SEC. 24. **Duties of secretary of agriculture.** The secretary of
2 agriculture shall have general supervision of the administration of
3 the provisions of this act. He shall make and promulgate such rules
4 and regulations, not inconsistent herewith, as shall be necessary or
5 desirable effectually to carry out the purposes hereof. He shall make
6 such reasonable regulations with respect to the construction and main-
7 tenance of granaries, cribs, bins or other receptacles as may be neces-
8 sary to protect the grain to be stored therein under the provisions of
9 this act. He shall prepare and have printed under the same condi-
10 tions as other state printing the necessary blanks, forms and other
11 printed matter and shall make such charges to persons desiring such
12 printed matter as shall meet the cost of production thereof.

1 SEC. 25. **Appeals—procedure.** If any person shall feel aggrieved
2 by any action of the board or of the sealer or any other official, he
3 may submit his complaint in writing to the secretary of agriculture
4 and the secretary of agriculture shall, as soon thereafter as possible,
5 set the matter down for hearing before himself or one of his deputies,
6 at such place as shall be desirable and proper, having regard to the
7 character of the controversy and the locality of the grain and resi-
8 dence of the parties involved. Likewise, the board may present to
9 the secretary of agriculture any proper complaint against any owner
10 and the procedure shall be as nearly as practicable the same as that
11 in the case of charges filed by owners.

1 SEC. 26. **Correction of abuses—costs.** The secretary of agriculture
2 shall upon final hearing, make and enter such orders as he shall
3 deem proper for the correction of improper practices, and may sus-
4 pend the license of the board offending until such orders are obeyed.
5 But such suspension shall in no manner relieve the board or the
6 owners of any liability previously incurred under the provisions of
7 this act. The costs and expenses of such hearings shall be defrayed

8 by the parties thereto, and shall be apportioned by the secretary of
9 agriculture in such manner as he shall deem just and equitable.

1 **SEC. 27. Funds—disbursement.** For the purposes of defraying
2 the expenses of supervision, the owner shall pay to the board at
3 the time of sealing, an amount which shall not exceed one cent per
4 bushel of grain inspected and sealed by the sealer. Out of the fund
5 thus created the compensation of the sealer, as fixed by the board,
6 subject to the approval of the secretary of agriculture, and all other
7 expenses, shall be paid. No compensation shall be paid to members of
8 the board except by the express authorization and approval of the
9 secretary of agriculture, and then only in case such payments may
10 be made without overdrawing upon or unduly depleting the funds in
11 the hands of the board. In the exercise of his powers and functions
12 as an officer of the peace in connection with the provisions of this
13 act, the sealer shall be entitled to the same fees as are provided by
14 law for the performance of similar duties.

1 **SEC. 28. Fees—deposit and disbursement.** The secretary of agri-
2 culture shall receive the following fees for services rendered under
3 the provisions of this act:

4 For issuing licenses in each case, three dollars (\$3.00).

5 For approving applications for group organizations, one dollar
6 (\$1.00).

7 All moneys received by the secretary of agriculture from fees and
8 other sources in connection with the administration of the provisions
9 of this act shall be paid into the state treasury and may be drawn
10 upon by him for the purposes thereof, subject to the provisions of
11 the law applicable to disbursements by the secretary of agriculture.

1 **SEC. 29. Unlawful breaking of seals.** Any person unlawfully re-
2 moving, breaking or in any manner interfering or tampering with
3 any seal, lock or other fastening placed upon any granary, crib, bin
4 or other receptacle for grain under the provisions of this act, except
5 when such removal shall be rendered imperative to prevent the dam-
6 age, loss or destruction of grain stored therein, shall be guilty of a
7 misdemeanor, and shall be punished by a fine of not less than one
8 hundred dollars nor more than five hundred dollars, or by imprison-
9 ment in the county jail for not more than six months, or by both
10 such fine and imprisonment.

1 **SEC. 30. Fraudulent issuance of certificates.** An owner, the agent
2 or servant of an owner, or any member of any board, or any sealer,
3 who fraudulently issues or aids in fraudulently issuing a certificate
4 for grain, knowing that it contains any false statement, shall be guilty
5 of a misdemeanor, and upon conviction shall be punished for each
6 offense by imprisonment in the county jail not exceeding one year,
7 or by a fine not exceeding one thousand dollars, or by both.

1 **SEC. 31. Unlawful issuance of certificates.** An owner, or any offi-
2 cer, agent or servant of any owner, who issues or aids in issuing a
3 duplicate or additional negotiable certificate for grain, knowing that
4 a former negotiable certificate for the same grain, or any part of it,
5 is outstanding and uncanceled, without plainly placing upon the face
6 thereof the word "duplicate", except in the case of a lost or destroyed
7 certificate after proceedings as provided for in section twenty-five

8 (25), shall be guilty of a felony, and upon conviction shall be punished
9 for each offense by imprisonment in the penitentiary not exceeding
10 two years, or by a fine not exceeding one thousand dollars, or by both
11 such imprisonment and fine.

1 **SEC. 32. Delivery without obtaining certificate.** An owner, or any
2 officer, agent or servant of an owner, who delivers grain out of the
3 possession of such owner, knowing that a negotiable certificate, the
4 negotiating of which would transfer the right to the possession of
5 such grain, is outstanding and uncanceled, without obtaining the pos-
6 session of such certificate at or before the time of such delivery, shall,
7 except when ordered by the court, as hereinbefore provided, be found
8 guilty of a misdemeanor, and on conviction shall be punished for each
9 offense by imprisonment in the county jail not exceeding one year,
10 or by a fine not exceeding one thousand dollars, or by both such im-
11 prisonment and fine.

1 **SEC. 33. Unlawful sale, mortgage, etc.** Any owner who shall, after
2 the issuance of a certificate for grain in storage, take, sell, mortgage,
3 pledge, hypothecate or otherwise incumber, or attempt to take, sell,
4 mortgage, pledge or otherwise incumber the said grain, or who shall
5 take or remove it from the receptacle where standing, shall be guilty
6 of a misdemeanor, and upon conviction thereof, shall be subject to
7 a fine of not less than one hundred dollars nor more than one thousand
8 dollars, or by imprisonment in the county jail for not more than one
9 year, or by both such fine and imprisonment.

1 **SEC. 34. Uniform warehouse act—applicability.** All the provisions
2 in the uniform warehouse act as found in chapter ten-A (10-A) sup-
3 plement to the code, 1913, and as set forth in sections three thousand
4 one hundred thirty-eight-a nine (3138-a9) up to and including section
5 three thousand one hundred thirty-eight-a forty-eight (3138-a48),
6 supplement to the code, 1913, relative to the negotiation, transfer,
7 sale or endorsement of warehouse receipts shall, so far as possible,
8 apply to the negotiation, transfer, sale or endorsement of the certifi-
9 cates provided for herein.

10 Where the word "owner" is used in this act, it shall be construed to
11 be used in the same connection as the word "warehouseman" is used
12 in the uniform warehouse act, and where the word "certificate" is
13 used in this act, it shall be construed to be used in the same con-
14 nection as the word "receipt" is used in the uniform warehouse act.

Approved April 10, A. D. 1923.